

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
November 3, 2008**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Mayor Martin on November 3, 2008, at 7:01 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart.

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Huffman to approve the November 3, 2008 agenda as submitted.

ROLL CALL: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The City's AA2 bond rating has been reaffirmed by Moody's. That rating means that Shoreview is in an excellent financial condition and reflects a stable economic base. Councilmember Withhart noted that not many cities in Minnesota hold that high a bond rating.

On November 18, at Little Canada City Hall and on November 20, at the Shoreview Community Center, Ramsey County will hold open house meetings to review concept plans for future Highway 49/Rice Street road improvements.

This is the time to purchase an annual membership to the Community Center. Memberships are at a 10% discount during November and December.

On November 4, 2008, at 1:30, there will be a ground-breaking for the addition to Northwest Youth and Family Services on Lexington Avenue.

Councilmember Quigley:

Noted that the following day is Election Day. City Manager Schwerm announced that the polls are open from 7:00 a.m. to 8:00 p.m. A record number of absentee ballots have been turned in, approximately 2500. Two years ago, there were 1200.

Councilmember Wickstrom:

The Highway 49 meetings will encompass the entire project from south of Highway 96 to County Road J. This project will take many years and will be broken into several segments. The first segment is in Shoreview from Gramsie Road to Bridge Street, south of Highway 96.

Thank you to all who came to the Buckthorn Bust. Special thanks to Gene Kruckenberg who came on his day off to help coordinate the effort.

Shoreview Green Communities meets monthly. The November meeting is Wednesday, November 5, 7:00 p.m., at the Community Center. Anyone interested is welcome.

Councilmember Huffman:

Noted that the Shoreview website shows residents their precinct locations for voting.

Councilmember Withhart:

On Thursday, November 6, 2008, is the Shoreview Community Foundation kickoff meeting. Thank you to Kozlak's for sponsoring the event.

CONSENT AGENDA

The following item was pulled for separate discussion.

1. City Council Workshop Meeting Minutes, October 13, 2008

Page 4: Councilmember Wickstrom amended the second sentence in the fourth paragraph to read, "The Green Communities group and the League of Women Voters have paid...".

MOTION: by Councilmember Withhart, seconded by Councilmember Huffman to adopt the consent agenda of November 3, 2008, approving the necessary motions and resolutions:

1. October 13, 2008 City Council Workshop Meeting Minutes, as amended
2. October 20, 2008 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes
 - Planning Commission, September 23, 2008
 - Bike and Trails Committee, October 2, 2008
4. Verified Claims in the Amount of \$612,883.75
5. Purchases
6. License Applications
7. Resolution Supporting Northwest Youth and Family Services Discovery Center
8. Rescinding Adoption of Assessment Roll - Highway 49 Reconstruction, CP 00-06
9. Developer Escrow Reduction
10. Addition of City Council, Planning Commission and Economic Development Authority Board to Workers' Compensation Insurance Policy
11. Rezoning - Southview Senior Living, 4684 and 4710 Hodgson Road

ROLL CALL: Ayes - 5 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

AWARD SALE OF \$3,505,000 GENERAL OBLIGATION BONDS, SERIES 2008A

Presentation by Finance Director Jeanne Haapala

At its October 6, 2008 Council meeting, the Council authorized General Obligation bonds in the amount of \$3,505,000. The bonds will pay the assessment portion of the Emmert/Arbogast project and the utility share of four projects: 1) Emmert/Arbogast reconstruction; 2) water meter replacement program; 3) 2009 sewer rehabilitation/relining project; and 4) Turtle Lane pretreatment facility.

The City worked with Springsted on this bond issue. A copy of the proposed budget was submitted to Moody's, and the City's AA2 bond rating was reaffirmed. Nine bids were received today with interest rates ranging from 4.21% to 4.49%. The low bidder is Piper Jaffray & Co. Staff recommends adoption of the motion accepting the bid from Piper Jaffrey.

Councilmember Withhart asked if nine bidders is a low or high number. Ms. Haapala stated that nine bids are very good given the current market.

Ms. Heaton stated that the bond market is separate from the stock market. The bond market is where money is invested for security. The City's bond rating is very important. Three or four bids are good, but nine bids are the highest she has seen since the stock market changed.

Mayor Martin commended Ms. Haapala and her staff for their excellent work.

Councilmember Withhart also commended City Manager Schwerm for keeping costs under control.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt proposed resolution number 08-89 awarding the sale, prescribing the form and details and providing for the payment of \$3,505,000 in general obligation bonds, series 2008A.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
Nays: None

SCORE GRANT APPROVAL - ESTABLISH 2009 RECYCLING FEE AND BUDGET

Presentation by Public Works Director Mark Maloney

The City's recycling program has been a Joint Powers Agreement between the City and Ramsey County since 1999. Each year the City applies for a SCORE Grant, which brings over \$50,000 into the recycling program, which helps sponsor the fall and spring Cleanup Day. The goal is to grow the recycling fund balance to cover City costs in the event that SCORE Grant funding is not available. This year it is staff's recommendation to increase the recycling fee \$2.00, or 6%. The primary reason for this increase is a 3% adjustment in recycling collection costs. The City is also now required to include a \$0.40 charge per unit for the County's administration fee. Staff recommends the Council approve the 2009 recycling budget, a recycling charge per unit of \$33.50, and authorize submittal of the City's SCORE Grant application.

Mayor Martin noted that the \$2.00 increase is over the whole year. There has been improved service and greater participation under the single-sort recycling system.

Councilmember Wickstrom stated that she would like to see expanded recycling of plastics, such as yogurt cups and cottage cheese containers. Mr. Schwerm responded that there were plans to be part of a pilot project this fall to expand plastics recycling, but the City was unable to get a commitment because of current market limitations.

Councilmember Wickstrom stated that she would like to see an effort for expanded plastics recycling during Cleanup Days. Perhaps the Environmental Quality Committee (EQC) would organize it and volunteer to do the sorting.

Councilmember Withhart noted that unlike some cities, Shoreview incorporates the recycling fee into the property tax statement rather than adding a charge onto utility bills, which are not deductible. He also would like to see the EQC work to increase the City's recycling to the next

level. He would like to see the EQC explore the feasibility of weekly pickups to encourage more people to recycle.

Mayor Martin noted that residents who fill their recycling bins can request delivery of another one or request a larger one.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to approve a budget in the amount of \$417,000 for the 2009 curbside recycling program, whereby \$357,000 will be collected through the previously approved Joint-Powers Agreement with Ramsey County to include a CITY RECYCLING FEE of \$33.50 on the 2009 residential property tax statement; and, to approve the SCORE grant application requesting the allocation of \$53,359 to be used in conjunction with the City recycling fee for program funding.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Huffman, Martin
Nays: None

ESTABLISH WATER METER REPLACEMENT PROJECT AND AUTHORIZE AD FOR BID - CP 09-02

Presentation by Public Works Director Mark Maloney

The 2009 Capital Improvement Program (CIP) budget includes water meter replacement and the I & I (Infiltration and Inflow Inspections). The aging water meters under-record water use and are part of the reason for the reduction in water sales. Replacements will quickly pay for themselves. It is estimated that there are 8,600 City-owned water meters that need to be replaced, 8,200 are residential. Most are currently read manually, and the software used by the City dates from 1993. Neither the hardware nor the software is technically supported anymore.

Automated Meter Reading (AMR) is an automated system using a mobile device to radio-read meters or antennas. The two types of AMRs are either a mobile device or a fixed network system. A fixed network is used more in cities that have a monthly billing cycle (currently, the City bills quarterly). The advantage of a fixed network is real time water use monitoring--water can be monitored for each address, which greatly reduces the time spent in data collection. The cost is significant, however, and staff believes a mobile device system would adequately meet the City's needs.

The base bid for a meter package proposed includes: 1) one standardized meter/AMR solution; 2) all meter equipment--hardware and software; and 3) warranties, service histories, training and technical support. This would be a 25-year solution for the City. An alternate bid would be requested that allows other equipment that would still use an AMR reading system.

Councilmember Wickstrom asked if the software would support the full 25-year life of the meters given that the current software is 15 years old but no longer supported. Mr. Maloney stated that the bid requests commitment to software support.

Councilmember Withhart asked the cost difference between a mobile device and a fixed network. Mr. Maloney answered that a fixed network system would cost about 30% more to install. It would also be added infrastructure that would have to be maintained. The mobile device readings can be done by existing City employees.

Mayor Martin stated that there would also be a significant cost to change to a monthly billing system. She does not believe the City needs to collect monthly data. Mr. Maloney stated that cities using a fixed network are usually larger cities with high-volume users. Shoreview's predominant water use is residential. The base bid is to finish the meter replacement that has been started. Staff will be looking at bids for equipment that is compatible with what is already in the City. The cost estimate for the project is \$2.3 million. This is consistent with the bonds that were approved.

With meter replacement, staff will also implement the required I&I Program, which is an inspection to make sure no storm water is flowing into the sanitary sewer from an interior sump pump. The Metropolitan Council has imposed a surcharge of \$86,000 on the City due to estimated infiltration into the system. The City annually receives a credit that reduces the surcharge for programs such as the I&I inspection program and sewer relining projects. It is anticipated that the water meter replacements and inspections will take a year to complete.

Councilmember Withhart asked if there will be a charge back to property owners for meter replacement and installation. Mr. Maloney stated that property owners would only be charged if a valve has to be replaced. A plumber will be retained by the City, which would reduce repair costs.

Councilmember Wickstrom asked if repairs would be fixed immediately so people are not without water. Mr. Maloney stated that the service agreement will include a plumber to be on call. The plan is to take care of all work in one appointment.

Councilmember Huffman asked how this project will be communicated to residents. Mr. Schwerm stated that over the next month a communication plan will be developed. Staff will look at how other communities have handled communication, such as notices and scheduling appointments.

MOTION: by Councilmember Withhart, seconded by Councilmember Huffman to adopt Resolution No. 08-94 approving specifications; and authorizing advertisement for bids for Water Meter Replacement, City Project 09-02.

ROLL CALL: Ayes: Wickstrom, Withhart, Huffman, Quigley, Martin
Nays: None

ADJOURNMENT

MOTION: by Councilmember Huffman, seconded by Councilmember Withhart to adjourn the meeting at 8:04 p.m.

ROLL CALL: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 17th DAY OF NOVEMBER 2008.

Terry C. Schwerm
City Manager